

Freehills

11 March 2004

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By fax

Dear Partners

Intertrust Technologies Corporation ats Microsoft Corporation & Anor

We refer to your facsimile of 7 January 2004 enclosing your clients' Amended Particulars of Invalidity, our facsimile to you of 4 March 2004 and your response of the same day. We also refer to your facsimile dated 26 September 2003.

We note your clients' refusal to provide particulars of their Amended Particulars of Invalidity. Our client's consent to the amendment of your clients' Amended Particulars of Invalidity, did not indicate that our client was waiving its right to fully particularised Particulars of Invalidity.

Further particulars in relation to Lack of Novelty and Lack of Inventive Step

To assist your clients in better understanding the extent of the further and better particulars our client requires, we have prepared a formal Request for Further and Better Particulars of your clients' Amended Particulars of Invalidity. In light of this request, we invite your clients to reconsider their position.

Other particulars in the Amended Particulars of Invalidity

We also refer to the following.

The particular in paragraph 6(i) of the Amended Particulars is purely speculative and does not, in any way, delimit your clients' case. Our client cannot be expected to guess which parts of which claim your clients will allege are not described in the specification.

Similarly, paragraph 6(xxviii) does not provide our client with any assistance in determining the case that your clients are making against it. It simply asserts that each claim is not fairly based on the specification because it may travel beyond

the matter described in the specification. However, it is inadequate in that it does not detail which matter in the claims is alleged to do so.

Our client invites your clients to withdraw these particulars.

Extension of time to file evidence

Our client repeats that an extension of time to file its evidence is wholly appropriate in the circumstances of this case including, among other issues, the inadequacy of your clients' Amended Particulars of Invalidity. Given your response to our letter of 4 March, we have commenced preparation of a Notice of Motion seeking further particulars and an extension of time within which to file our client's evidence in reply.

Please confirm as a matter of urgency whether your clients will provide the requested Further and Better Particulars and will withdraw paragraphs 6(i) and 6(xxviii) of the Amended Particulars of Invalidity.

Sufficiency claim

In your facsimile dated 26 September 2003, in response to our clients request for further discovery of your clients' research and development documents, you wrote:

"You also suggest that our clients' documents may be relevant to the issue of "sufficiency". Our clients have not alleged that the patent in suit does not comply with s40(2)(a) and so "sufficiency" is not in issue."

Despite this assertion, it appears to our client that, through a number of the particulars in your clients' Amended Particulars of Invalidity (in particular, paragraphs 4(i), 4(ii), 4(iii), 5(ix), 6(iii), 6(iv) and 6(v)), as well as through evidence in the affidavits of your clients' expert witnesses (including, but not limited to, paragraphs 158-166 and 172 of the affidavit of Paul William King), your clients are, in substance, making a case that the Patent does not comply with section 40(2)(a) of the *Patents Act*.

In order that our client be given the opportunity to know the full case that is being made against it, could you please:

- (a) inform our client which issue in the Amended Particulars of Invalidity the evidence in paragraphs 158-166 and 172 of the affidavit of Paul William King goes to; and
- (b) confirm that your client will not, at any stage, seek leave to amend its Particulars of Invalidity to include a claim under section 40(2)(a) of the *Patents Act*.

We await your response.

Yours faithfully
Freehills



Anthony Muratore/Benjamin Lasky
Partner

**In the Federal Court of Australia
New South Wales District Registry**

No N1260 of 2002

MICROSOFT CORPORATION
First Applicant

MICROSOFT PTY LIMITED
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**
Respondent

**Request for Further and Better Particulars of the Amended
Particulars of Invalidity**

The Respondent requests that the Applicants provide the following further and better particulars of the Amended Particulars of Invalidity filed 24 December 2003:

Lack of Novelty

- 1 For each of the documents referred to in paragraph 2(i)(a) and Annexure "A" of the Amended Particulars of Invalidity, specify precisely which part or parts of each of the documents the Applicant will rely upon in their claim that Australian Letters Patent No. 728776 (the Patent) lacks novelty.
- 2 In relation to paragraph 2(i)(b) and "Act" number 1 in Annexure "B" of the Amended Particulars of Invalidity:
 - (a) identify each alleged use of the Standard Generalized Markup Language (SGML) that will be relied upon in the claim that the Patent lacks novelty;
 - (b) for each alleged use particularised in response to (a) above, describe how the SGML was used and the nature of that use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and

(f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

3 In relation to paragraph 2(i)(b) and "Act" number 2 in Annexure B of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the Dublin Core metadata set that will be relied upon in the claim that the Patent lacks novelty;
- (b) for each alleged use particularised in response to (a) above, describe how the Dublin Core metadata set was used and the nature of that use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

4 In relation to paragraph 2(i)(b) and "Act" number 3 in Annexure B of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the Warwick Framework that will be relied upon in the claim that the Patent lacks novelty;
- (b) for each alleged use particularised in response to (a) above, describe how the Warwick Framework was used and the nature of that use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

5 In relation to paragraph 2(ii) of the Amended Particulars of Invalidity:

- (a) state which documents referred to in Annexure "A" are asserted to be related to the extent that the relationship between the documents is such that a person skilled in the relevant art in the patent area would treat them as a single source

of information. State all the facts, matters and circumstances relied upon to support that assertion; and

(b) state which of the acts particularised in response to 2(a), 3(a) and 4(a) above are asserted to be related to the extent that the relationship between the acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of information. State all the facts, matters and circumstances relied upon to support that assertion.

6 The Respondent notes that, in paragraph 2(iii) of the Amended Particulars of Invalidity, the Applicants have reserved their right to add further instances of prior art information to Annexure "A" or Annexure "B". The Applicants should note however, that it will be necessary for them to seek the consent of the Respondent or the leave of the Court for any such addition.

Lack of Inventive Step

7 In relation to paragraph 3(i) of the Amended Particulars of Invalidity, the Respondent notes that the Applicants rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date which is stated "includes (without limitation)" the components described in paragraphs 3(i)(a) and 3(i)(b) of the Amended Particulars of Invalidity. Identify the common general knowledge as at the priority date on which the Applicants will rely in the claim that the Patent does not involve an inventive step.

8 To the extent that the Applicants rely on particular software applications, devices and/or products as forming part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date, identify such software applications, devices and/or products and their features which will be relied upon.

9 In relation to paragraph 3(i)(a) of the Amended Particulars of Invalidity, identify the admissions alleged to be contained in the specification of the Patent which will be relied upon in the claim that the Patent does not involve an inventive step.

10 For each of the admissions identified in response to paragraph 9 above, specify the facts, matters and circumstances relied upon to support the assertion that they were in the common general knowledge.

11 For each of the documents referred to in paragraph 3(i)(b)(I) of the Amended Particulars of Invalidity, specify precisely which part or parts of each of the documents that the Applicants will rely upon in the claim that the Patent does not involve an inventive step.

12 In relation to paragraph 3(i)(b)(II) and "Act" number 1 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the SGML that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the SGML was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software

applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;

- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

13 In relation to paragraph 3(i)(b)(II) and "Act" number 2 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the eXtensible Markup Language (XML) that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the XML was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

14 In relation to paragraph 3(i)(b)(II) and "Act" number 3 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the Dublin Core metadata set that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the Dublin Core metadata set was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.

- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

15 In relation to paragraph 3(i)(b)(II) and "Act" number 4 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the Warwick Framework that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the Warwick Framework was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

16 In relation to paragraph 3(i)(b)(II) and "Act" number 5 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of Bento containers that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the Bento container was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use is relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

17 In relation to paragraph 3(i)(b)(II) and "Act" number 6 in Annexure D of the Amended Particulars of Invalidity:

(a) identify each alleged use of IBM Cryptolopes that will be relied upon in the claim that the Patent does not involve an inventive step;

(b) for each alleged use particularised in response to (a) above, describe how the IBM Cryptolope was used and the nature of the use;

(c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;

(d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.

(e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and

(f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

18 In relation to paragraph 3(i)(b)(II) and "Act" number 7 in Annexure D of the Amended Particulars of Invalidity:

(a) identify each alleged use of object-oriented languages and databases that will be relied upon in the claim that the Patent does not involve an inventive step;

(b) for each alleged use particularised in response to (a) above, describe how the object-oriented language and/or database was used and the nature of the use;

(c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;

(d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.

(e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and

(f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

19 In relation to paragraph 3(i)(b)(II) and the documents listed in Annexure "C" of the Amended Particulars of Invalidity, state all facts, matters and circumstances relied upon by the Applicants to support the claim that the following patents identified in Annexure "C" form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date:

(a) WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection";

- (b) AU 711,733, ““Systems and methods for secure transaction management and electronic rights protection””;
- (c) WO 96/24092, ““Methods and system for managing a data object so as to comply with predetermined conditions for usage””; and
- (d) EP 0 715 245 A1, ““System for controlling the distribution and use of digital works””.

20 In relation to paragraph 3(i)(b)(II) and the documents listed in Annexure “C” of the Amended Particulars of Invalidity, state all facts, matters and circumstances relied upon by the Applicants to support the claim that each of the documents identified in Annexure “C”, other than the patents described in paragraph 19 above, form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date.

21 In relation to paragraph 3(ii)(a) of the Amended Particulars of Invalidity, state which item or items of prior art information referred to in paragraph 3(i) that do not form part of the common general knowledge are relied upon considered together with the common general knowledge to deny the Patent inventive step. Insofar as the prior art information is held in a document, identify which part or parts of the document are relied upon. Insofar as the prior art information is through the doing of an act, for each alleged act:

- (a) identify each alleged use of SGML, XML, the Dublin Core metadata set, the Warwick Framework, Bento containers, IBM Cryptolopes and/or object-oriented languages and databases that will be relied upon, together with the common general knowledge of persons skilled in the relevant art in Australia at the priority date, in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the SGML, XML, Dublin Core metadata set, Warwick Framework, Bento containers, IBM Cryptolopes and/or object-oriented languages and databases was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

22 In relation to paragraph 3(ii)(b) of the Amended Particulars of Invalidity, state which of the “pieces of prior art information referred to in paragraph 3(i)” and the “acts” particularised in response to 21(a) above are asserted to be “information that a person

skilled in the relevant art could be reasonably expected to have combined". State all the facts, matters and circumstances relied upon to support that assertion.

23 The Respondent notes that, in paragraph 3(iii) of the Amended Particulars of Invalidity, the Applicants have reserved their right to add further instances of prior art information to Annexure "C" or Annexure "D". The applicants should note however, that it will be necessary for them to seek the consent of the Respondent or the leave of the Court for any such addition.

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Freehills

11 March 2004

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Dear Partners

Intertrust Technologies Corporation ats Microsoft Corporation & Anor

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Similarly, paragraph 6(xxviii) does not provide our client with any assistance in determining the case that your clients are making against it. It simply asserts that each claim is not fairly based on the specification because it may travel beyond